



USAID | **ECUADOR**
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RESULTS REPORT 2008



USAID/ECUADOR RESULTS REPORT 2008

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ALTERNATIVE DEVELOPMENT

In FY 2008, the U.S. Government's Agency for International Development (USAID) financed the construction of 39 infrastructure projects including roads, bridges, irrigation canals, and water and sanitation systems, benefiting 36,364 people in the Northern Border. A complementary health education campaign improved hand-washing practices for 54,674 people.



USAID provided assistance to 10 “anchor” firms that strengthened linkages to small farmers and production and marketing networks in cacao, coffee, broccoli and milk. As a result

of this effort, 2,754 new full-time equivalent, legitimate jobs were created last year in the Northern Border, farmers' income increased on average 22 percent, from \$983 to \$1,200, and 2,000 new hectares of legal crops were planted.

In FY 2008, USAID extended potable water to 9,582 people and provided access to sanitation services for 4,595 people. This basic infrastructure is managed and maintained by local Community Water Management Boards. In FY 08, USAID supported the creation of eight new water management boards and improved the management of 38 more. Thirty-nine percent of the board members are women. To encourage board performance, the Government of Ecuador (GOE) and USAID co-organized a competition that awarded a cash prize to the best managed water board in terms of sustainability. The winner was the community of Palma Real, one of the most isolated communities in Ecuador.

The health education campaign, funded by USAID, improved hand-washing practices of 54,674 people – nearly 15,000 more than expected. Even more impressive for a new program, surveys of the target group found that 75 percent of mothers and children could recall the hand-washing messages and 75 percent of children surveyed reported washing hands with soap before eating. The campaign also trained 565 health community promoters, 687 teachers, and 3,479 mothers in 11 municipalities.

Much of the success of this program was due to the effective alliance built between the Ministries of Health and Education. Motivated teachers were key to incorporating this program into the National Education Plan.

The health indicator used to measure the impact of all the training, campaigns, and provision of clean water and sanitation, is the number of cases of diarrheal disease reported by children five to ten years old. From the time of the baseline survey in February 2008 until September 2008, mothers reported a five percent decrease in the number of diarrheal episodes suffered by their children the previous day. This is admittedly a short time period to measure the direct health impact of a complex set of interventions, but it demonstrates early, positive benefits from this combined assistance.

USAID provided technical assistance and training to strengthen 11 Ecuadorian municipal governments along the Colombian border. To measure the combined impact of improved municipal management, more responsive municipal governments, and delivery of improved basic services, every two years USAID funds a national study to measure changes in democratic values. Results of the 2007 survey, published in FY 2008, found that, on average, citizen satisfaction with municipal governments in eight northern border municipalities where USAID worked was 56.3 percent, exceeding the national average of 52.8 percent.

DEMOCRACY

In FY 2008, Ecuador held a national referendum on a new constitution. USAID contributed to the transparency of Ecuador's electoral process by supporting an Ecuadorian non-government organization (NGO), Participacion Ciudadana, to train and field 1,915 domestic election observers. Women represented approximately 54 percent



of their election observers. Participacion Ciudadana also designed and implemented a national “responsible and informed” voter campaign that included 75,000 flyers, three multi-language radio spots, and two television spots; and conducted a survey of persons with disabilities. According to one of the local public opinion polls, in August only eleven percent of the

voters were informed about the substance of the constitution proposed in July. By September, in part because of Participacion Ciudadana's campaign, approximately 47 percent of the voters had read the proposed constitution.

Participacion Ciudadana's quick count, issued only one half hour after the polls closed, showed 63 percent of the voters approved the new constitution. Their results coincided exactly with the official results issued three weeks later. In FY08, Participacion Ciudadana, leveraged \$202,000 from other donors and local organizations to support its efforts.

USAID, Participacion Ciudadana, and the Ministry of Education also launched the "Live Democracy" project in six public and private high schools in Guayaquil to strengthen democratic practices, including the development of transparent and fair electoral processes for student councils. More than 90 young women, out of 159 total students, participated in training programs that combined topics on education reform with leadership and democracy strengthening. USAID also supported development of six programs on citizens' rights and responsibilities, transmitted by ten Kichwa-language radio stations.

At the municipal level, as a result of USAID assistance, more than 1,000 citizens and local officials in 16 cities received training in areas such as financial management, citizen participation, and budgeting. One result of this assistance was that in just three months the municipalities reduced delinquent taxes by 4 percent and in two municipalities a two-month "lightning plan" helped municipalities recover approximately 10 percent of back taxes.

USAID also helped create 12 citizen oversight committees which work to set local priorities, scrutinize budgets, and monitor contracting processes. Finally, USAID promoted citizen participation in eight municipalities to prioritize funding for infrastructure projects. As a result, local government officials and citizen watchdog groups jointly selected infrastructure projects that benefited 12,836 people.

ECONOMIC GROWTH

At the national level, USAID funded a study identifying Ecuador's 10 most promising subsectors for investment, which led the GOE to create two new national agencies, funded at \$16 million over four years—one to lead investment attraction and another to support development of the 10 key sub-sectors. These agencies have become key interlocutors between the GOE and the private sector.

USAID also helped create two regional investment attractions agencies in Manabi and Azuay provinces.

USAID assistance also supported the creation of the Ecuadorian Committee for Economic Territorial Development (CEDET), a private sector council which promotes pro-market, pro-growth policies through policy dialogue and outreach. CEDET represents its regional members at the national level and provides its regional members with information on provincial growth opportunities and investment best practices.

Reflecting GOE confidence in this private-public network, CEDET was awarded management of a \$600,000 Small and Medium Enterprise Fund by the Ministry of Industry and Commerce to support value-chain activities over two years.

USAID assistance helped create new supply and value-chains, known as 'clusters', where small producers and businesses have now become specialized suppliers for larger firms with local and international markets. In FY 2008, USAID invested \$704,279 and the Ecuadorian private sector contributed \$784,564 to create 10 value chain activities.



These clusters are in agro-industrial export sectors such as dairy products, hearts of palm, chili peppers, Panama Hats (an Ecuadorian product), jewelry, and medicinal herbs. As a result of this effort, in FY 2008, 223 full-time equivalent jobs were created and revenues increased for 1,865 small and medium firms.

To help develop value-chains along Ecuador's northern border, USAID invested an additional \$150,000 to increase the productivity and competitiveness of two dairy value-chains with backward linkages to 141 small-scale dairy farmers in nine associations. USAID assistance improved pasture management, cattle nutrition, dairy handling, cold storage facilities, and capacity-building for these small farmers. As a result of this assistance, 63 full time jobs were created and income increased 53 percent for each member in only nine months.

To complement these direct investments, USAID provided technical assistance and training in value-chain analysis to more than 50 credit officers of two of Ecuador's largest banks. As a result of this training and USAID's loan guarantee, the banks made over 1,700 loans to members of value-chains for nearly \$9.9 million

(averaging about \$5,900 per loan). The USAID Development Credit Authority (DCA) guaranteed 50 percent of 853 of these loans, worth an estimated \$6.4 million (averaging about \$7,500 per loan).

PROTECTION OF BIODIVERSITY

Protected areas and indigenous territories cover a third of Ecuador's territory. They are home to some of the world's richest biodiversity and some of Ecuador's poorest people. With one of the highest deforestation rates in Latin America, Ecuador contributes significant atmospheric carbon emissions. As many of Ecuador's population centers rely on receding alpine glaciers and high-elevation grasslands for water supplies, it is also highly vulnerable to climate change. USAID's biodiversity conservation program addresses all three of these issues.

Work with lowland indigenous groups in the Amazon Basin and on the Pacific Coast has put 540,159 hectares of tropical forests under improved management through titling, marked boundaries, and park guards.

In FY 2008, the USAID-supported Fund for the Protection of Water (FONAG) leveraged an additional \$2 million from the IDB, World Bank, Eco-Fund, the French Institute for Development Research, the "Life for Quito" Corporation, and Quito's Municipal Water Company to protect water basins that supply water to Quito and surrounding areas and conduct programs in environmental education, park guard systems, and conservation planning. With USAID assistance, Quito's model was replicated in Zamora, Tungurahua, Paute and Loja, improving the protection of 110,599 additional hectares of strategic forests and grasslands.



USAID-funded natural resource management activities brought economic benefits to 8,875 people. Under the watersheds program, activities focused on organic farming, medicinal plants and guinea pigs, activities that are potentially more profitable than destructive grazing. In the indigenous programs, apiculture, handicrafts, ecotourism, and agro-forestry activities were promoted while the sustainable tourism program helped residents adjacent to a reserve develop tourism marketing and services and developed a new concessions model for the Galapagos National Park.

USAID funded training for 1,901 people in best management practices; 1,537 students and families, 159 technicians and teachers, and 20 park guards in watershed

conservation; 113 people in wildlife monitoring and control and surveillance, and 73 park guards.

USAID created a public-private partnership with the Ministries of Tourism and Environment to promote community-based tourism. USAID and the ministries now jointly fund improvements to visitor facilities and community-based tourism businesses in Cotopaxi, Machalilla, Cuyabeno, Chimborazo, and Manglares-Churute parks valued at \$500,000.

PERSONS WITH DISABILITIES (PWD)

USAID granted \$375,000 to the National Federation of Ecuadorians with Physical Disabilities (FENEDIF) to promote PWD to vote and to help PWD find jobs. In FY 2008, 619 PWD found new jobs. To encourage PWDs to vote, USAID financed a baseline survey of PWD voters in the September referendum and an assessment of the physical accessibility of 1,507 polling stations.

USAID helped forge an alliance between Microsoft and FENEDIF to establish six internet centers. FENEDIF received \$30,000 in cash and \$75,935 in software from Microsoft. These centers are now fully operational in Quito, Portoviejo, Quinindé, Zamora, Puyo, and Latacunga and run by PWD.

In 2008, USAID received an additional \$23,700 that leveraged \$163,000 from the Office of the Vice President, NGOs, and the private sector to train PWD in information technology. In six months, a pilot project trained 270 persons with hearing, physical and intellectual disabilities in four cities; 81 of them have found permanent jobs.

In February 2008, Ecuador was one of only two countries worldwide that was awarded two grants for PWD NGOs. FENEDIF, the Ecuadorian Federation for Persons with Disabilities, received \$300,000 to expand its job training and placement services to four additional cities and create nine microenterprises managed by PWD. It is expected that 600 PWD will find permanent jobs through December 2009. This helped to leverage an IDB grant of \$132,000 for FENEDIF to develop twenty more business plans for enterprises managed by PWD. The second NGO, Gestion Ecuador, received \$67,220 to include PWD needs in emergency disasters plans of four-high risk provinces in the Sierra. Through January 2010, the program will sponsor training, development and dissemination of 4,000 emergency response manuals to serve PWD needs in case of disasters.

USAID/Ecuador's policy is to integrate PWD into all of its programs, not just activities specifically targeted to PWD. In economic growth, USAID specifically selected value-chains that could incorporate PWD into newly created jobs. In Ambato, for example, as a result of USAID assistance, 63 PWD were hired by one of the largest footwear companies in Ecuador. In the regional trade capacity building program, telephone and web-based systems which provide citizens with basic information on labor rights and benefits were designed so the visually handicapped can use the telephone or an audio link on the web page. In environment and tourism, all USAID-financed infrastructure improvements will be wheelchair accessible. Also, USAID and two Ecuadorian PWD NGOs published a travel guide for PWD in Ecuador that highlights 16 accessible sites.

TRAFFICKING IN PERSONS (TIP)

Ecuador is a source, transit, and destination country for persons trafficked for sexual exploitation and forced labor. In FY 2008, USAID received \$300,000 in additional funds to support the GOE's efforts to prevent and combat TIP and to protect victims. USAID helped strengthen the capacity of the Ministry of Government to implement and enforce the National Plan to Combat Trafficking. USAID also worked with the Ministry of Foreign Affairs to develop and implement standard, worldwide procedures for consular assistance to victims of trafficking. USAID also improved the capacity of three TIP shelters which helped protect 49 trafficking victims. Working with GOE and Ecuadorian NGOs, USAID training helped prevent

175 at-risk youth from becoming victims of trafficking and trained 1,500 people to increase public awareness of the dangers of trafficking.

DISASTER RELIEF

Heavy rains that began in early January 2008 flooded eight of Ecuador's 22 provinces. Forty-seven people were killed, over 300,000 seriously affected by the flooding, and over 247,000 acres of crops and pastures were destroyed, causing over \$200 million in agricultural damages. Within a month USAID: delivered to the Guayaquil Red Cross 3,000 hygiene kits, 3,000 water containers, 200 rolls of plastic sheeting, and a 10,000-liter water bladder, at a cost of \$177,000; approved an emergency grant of \$50,000 to the Ecuadorian Red Cross to deliver hygiene kits, mosquito nets, and protection kits to 400 desperate



families; delivered 5,088 additional hygiene kits in Guayaquil to the Ministry of Health, at a cost of \$108,000; approved a \$169,000 grant to the American Red Cross to supply kitchen materials and

mosquito netting; and signed agreements with World Vision to deliver \$258,000 worth of blankets, hygiene kits, and cooking supplies and a \$172,000 agreement with CARE to repair damaged water systems.